



LIFE INSURANCE BOOKLET UPDATE

Employee and Retiree Plans – Effective July 1, 2004

This notification updates the booklet that you received when you became eligible for benefits under the Commonwealth of Massachusetts' Life Insurance Plan. Please keep this notice with your Life Insurance booklet to ensure that you have a complete description of the Plan and its benefits.

Benefits under the Plan have been enhanced as follows:

Life and Accidental Death & Dismemberment Insurance Maximums *(update to page 4 and 10 of the booklet)*

The total amount of insurance chosen is subject to the following maximums:

Life Insurance: \$1.5 million

Accidental Death & Dismemberment Insurance: \$1.5 million

Optional Life Insurance Rates *(update to page 7 of the booklet)*

Including Accidental Death and Dismemberment

Effective July 1, 2004, the Optional Life Insurance rates have decreased by an average of 25% for most optional life participants.

Monthly Optional Life Insurance Rates ***Including Accidental Death & Dismemberment***

Effective July 1, 2004

Active Employees – rate per \$1,000 of coverage

AGE	NON-SMOKER	SMOKER
Under 35	\$.06	\$.10
35 - 44	.07	.15
45 - 49	.10	.25
50 - 54	.16	.40
55 - 59	.24	.62
60 - 64	.36	.94
65 - 69	.89	1.68
70 and over	1.39	3.00

Retired Employees – rate per \$1,000 of coverage

AGE	NON-SMOKER	SMOKER
Under 70	\$ 1.29	\$ 1.74
70 - 74	2.49	3.25
75 - 79	6.21	8.13
80 - 84	11.72	15.34
85 - 89	18.55	24.29
90 - 94	28.19	34.83
95 - 99	61.56	76.07
100 and over	118.03	145.86

Example of Monthly Cost Calculation

Sarah is 37, a non-smoker and earns \$34,700 annually. She has chosen Optional Life Insurance in an amount equal to two times her salary.

To calculate her amount of Optional Life Insurance, she must:

1. multiply her annual salary by 2 (\$69,400);
2. round that amount down to \$69,000;
3. subtract \$1,000.

Her Optional Life Insurance amount is:

$$\begin{array}{r} \$ 34,700 \\ \times \quad 2 \\ \hline \$ 69,400 \\ - \quad 400 \\ \hline \$ 69,000 \\ - \quad 1,000 \\ \hline \$ 68,000 \end{array}$$

Sarah's premium rate is \$.07 per \$1,000 of insurance. Her monthly cost would be \$4.76 (\$68,000 x .07/\$1,000).

(over)

Felonious Assault Benefit *(update to page 10 of the booklet)*

Example: *Employee dies in a robbery*

Employee salary is: \$50,550

Basic Life Insurance:	\$ 5,000
Basic AD&D Insurance:	\$ 5,000
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Optional Life Insurance (2 x Salary):	\$ 100,000
Optional AD&D Insurance (2 x Salary):	\$ 100,000
<i>How to calculate Optional Life and AD&D Insurance:</i>	
	$\begin{array}{r} \$ 50,550 \\ \times \quad 2 \\ \hline \$ 101,100 \\ - \quad 100 \\ \hline - \quad 1,000 \\ \hline \$ 100,000 \end{array}$
1. Multiply annual salary by 2 (\$101,100);	
2. Round that amount down to \$101,000; and	
3. Subtract \$1,000.	
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Felonious Assault benefit (3x your optional AD&D):	\$ 300,000
TOTAL BENEFIT:	\$ 510,000

Claim Procedure for Accidental Death & Dismemberment Benefits *(update to page 14 of the booklet)*

When Notice of Claim and Proof of Loss Must be Given

A claim form for Dismemberment benefits must be sent to the Group Insurance Commission. Written proof of a claim must be sent to the Group Insurance Commission no later than 365 days of the date of the loss. The benefit will be paid only if the accident results in one or more losses within 365 days from the date of the accident. Also, the accident must occur while you are insured under the Plan.

Claim Procedure for Accidental Death Benefit

All deaths whether natural or accidental follow the procedures listed under the section titled "Method of Claim Payment for Life Insurance" on page 6 of the booklet.

For a copy of the life insurance booklet, including these July 1, 2004 changes, download a copy from the GIC's website www.mass.gov/gic.

Note: Your annual GIC benefit statement that you receive each January reflects your current optional life insurance benefit at the time the statement is printed. Changes to your optional life insurance coverage throughout the year will be reflected on your next benefit statement. Please review this statement carefully and report changes or omissions to the GIC.